

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 INR-07 L-03 ACDA-12  
NSAE-00 PA-02 SS-15 PRS-01 SP-02 USIA-15 TRSE-00  
DODE-00 H-02 NSC-05 CU-06 DHA-05 OMB-01 ABF-01  
/095 W

-----107113 022347Z /72

R 021340Z NOV 77  
FM AMEMBASSY BUDAPEST  
TO SECSTATE WASHDC 9807  
INFO AMEMBASSY BELGRADE  
AMEMBASSY BERLIN  
AMEMBASSY BUCHAREST  
AMEMBASSY MOSCOW  
AMEMBASSY PRAGUE  
AMEMBASSY SOFIA  
AMEMBASSY WARSAW

UNCLAS SECTION 1 OF 2 BUDAPEST 3813

BELGRADE ALSO FOR USDEL CSCE

E.O. 11652: N/A  
TAGS: HU, EEWT  
SUBJECT: TOURISM UP, BUT MOSTLY WITH OTHER SOCIALIST NATIONS

REF: BUDAPEST 3025

1. WITH THE TOURIST SEASON OVER, HUNGARY'S PRESS REPORTS  
A SUBSTANTIAL INCREASE THIS YEAR IN TRAVEL TO AND FROM  
HUNGARY. 10.3 MILLION FOREIGNERS VISITED HUNGARY IN THE  
FIRST NINE MONTHS OF 1977, OF WHOM 6.1 MILLION WERE COUNTED  
AS TOURISTS (A TOURIST, BY HUNGARIAN DEFINITION, IS ANYONE  
WHO SPENT AT LEAST 24 HOURS IN THE COUNTRY). THE TOURIST  
TOTAL IS UP 31 PERCENT OVER THE SAME PERIOD IN 1976, WHICH  
IN TURN WAS A RECORD YEAR. DURING THE SAME PERIOD, 3.6  
MILLION HUNGARIANS TRAVELLED ABROAD, UP 20 PERCENT FROM  
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THE SAME PERIOD LAST YEAR.

2. HUNGARIAN ENTHUSIASM OVER THESE RESULTS IS TEMPERED  
BY THE FACT THAT MOST OF THE INCREASE CAME FROM OTHER  
SOCIALIST COUNTRIES. HUNGARY RECORDED 5.3 MILLION TOURIST  
VISITS FROM SOCIALIST COUNTRIES (INCLUDING YUGOSLAVIA),  
UP 36 PERCENT FROM THE FIRST NINE MONTHS OF 1976, WHILE

NONSOCIALIST TOURISTS INCREASED 5.5 PERCENT TO 790,000. 3.3 MILLION HUNGARIANS TRAVELED TO SOCIALIST COUNTRIES (UP 20 PERCENT) WHILE 273,000 VISITED NONSOCIALIST COUNTRIES (UP 21 PERCENT). VISITORS TO HUNGARY FOR THE FIRST EIGHT MONTHS OF 1977 CAME PRIMARILY FROM: CZECHOSLOVAKIA (3.9 MILLION), POLAND (1.6 MILLION), YUGOSLAVIA (1.2 MILLION), THE GDR (855,000), BULGARIA (348,000), AUSTRIA (322,000), ROMANIA (300,000), THE FRG (293,000). USSR (213,000), AND UNITED STATES (46,000).

3. THE NUMBER OF NIGHTS SPENT IN THE COUNTRY BY FOREIGNERS INCREASED MORE SLOWLY THAN THE NUMBER OF TOURISTS, AND THE NUMBER OF NIGHTS SPENT IN COMMERCIAL FACILITIES INCREASED BY EVEN LESS. SOCIALIST TOURISTS SPENT 32.5 MILLION NIGHTS IN HUNGARY (UP 20 PERCENT FROM THE SAME PERIOD LAST YEAR), AND NONSOCIALIST TOURISTS SPENT 5.4 MILLION NIGHTS (UP 2.2 PERCENT). OF THESE "BED-NIGHTS", SOCIALIST TOURISTS SPENT 5.0 MILLION IN HOTELS OR OTHER COMMERCIAL FACILITIES (TOURIST HOMES, CAMPS, ETC.) (UP 14.5 PERCENT) AND NONSOCIALIST TOURISTS SPENT 2.4 MILLION (UP ONLY 1.4 PERCENT). LODGING FOR THE REMAINDER OF THE TOURISTS WAS PROVIDED BY RELATIVES OR THROUGH UNOFFICIAL ARRANGEMENTS.

4. HUNGARIAN FOREIGN EXCHANGE RECEIPTS FROM FOREIGN TRAVELLERS FOR NINE MONTHS OF 1977 AMOUNTED TO 4.2 UNCLASSIFIED

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BILLION FORINTS, OF WHICH 2.7 BILLION WERE "RUBLE-DENOMINATED" (UP 22 PERCENT FROM THE SAME PERIOD LAST YEAR) AND 1.5 BILLION WERE DOLLAR-DENOMINATED (UP 6 PERCENT). (AT THE OFFICIAL TOURIST EXCHANGE RATE, 22.3 FORINTS EQUALS \$1 AND 16,225 FORINTS EQUALS 1 RUBLE.) FOREIGN EXCHANGE OUTLAYS FOR HUNGARIAN TRAVELLERS TOTALLED 2.5 BILLION FORINTS (NOT DIVIDED INTO HARD AND SOFT CURRENCY OUTLAYS).

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UNCLAS SECTION 2 OF 2 BUDAPEST 3813

BELGRADE ALSO FOR USDEL CSCE

5. HUNGARIANS ARE CLEARLY ANXIOUS TO INCREASE TOURISM AND INCOME FROM TOURISM, AND ARE AWARE OF DEFICIENCIES IN THE EXISTING TOURIST INDUSTRY; IN THE WORDS OF ONE ARTICLE, "QUANTITATIVE PROGRESS IS FASTER THAN QUALITATIVE PROGRESS." TOURIST AUTHORITIES ARE ESPECIALLY ANXIOUS TO ENCOURAGE LONGER STAYS, AND MORE USE OF COMMERCIAL FACILITIES TO INCREASE RECEIPTS; MUCH HOPE IS PLACED IN DEVELOPING THERAPEUTIC TREATMENT PROGRAMS AT THE COUNTRY'S MANY MINERAL SPRINGS. THE 1976-1980 FIVE-YEAR PLAN ANTICIPATES A 5-6000 BED INCREASE IN HOTEL CAPACITY, PRIMARILY IN "C" CLASS HOTELS, PLUS EXPANSION OF TOURIST CABINS (2,500 ADDITIONAL PLACES) AND CAMPING SPACES. THIS PLANNED EXPANSION WOULD ONLY INCREASE POTENTIAL "BED-NIGHTS" BY ABOUT 2 MILLION (NOT COUNTING LOW-REVENUE CAMPING SITES), WHICH DOES NOT SEEM ADEQUATE TO UNCLASSIFIED

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ACCOMMODATE THE POTENTIAL INCREASE IN TOURISM.

6. THE GOH HAS ACTED TO LOWER BUREAUCRATIC BARRIERS TO TOURISTS BY ANNOUNCING THE ELIMINATION, EFFECTIVE JANUARY 1, 1978, OF THE OBLIGATORY PURCHASE OF \$7.50 WORTH OF FORINTS FOR EACH DAY OF THE PROPOSED VISIT BEFORE A VISA IS ISSUED (REFTEL). THE JOINT COMMUNIQUE ISSUED OCTOBER 27 ON THE OCCASION OF THE VISIT OF THE AUSTRIAN FOREIGN MINISTER STATED THAT AUSTRO-HUNGARIAN TALKS WILL BEGIN IN THE NEAR FUTURE AT THE EXPERT LEVEL "ON THE FULL ABOLITION OF THE OBLIGATORY VISA SYSTEM". HUNGARIAN AUTHORITIES ARE REPORTEDLY STUDYING OTHER STEPS TO EASE OBSTACLES TO TRAVEL.  
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## Message Attributes

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